

APPROVED MINUTES
CITY OF MILPITAS

Minutes: Adjourned Joint Meeting of Milpitas City Council and Milpitas
Redevelopment Agency
Date of Meeting: May 10, 2005
Time of Meeting: 6:30 p.m. (Regular Session)
Place of Meeting: City Hall Council Chambers, 455 E. Calaveras Blvd.

ROLL CALL

Mayor Esteves called to order the adjourned joint meeting of the Milpitas City Council and Milpitas Redevelopment Agency at 6:50 p.m. Present were Mayor Esteves, Vice Mayor Gomez, and Councilmembers, Livengood, and Polanski and Giordano.

PLEDGE

Mayor Esteves led the Council and audience in the pledge of allegiance.

CITIZENS FORUM

Mayor Esteves invited members of the audience to address the Council on any subject not on the agenda.

Bill Reisinger, a member of the public, advocated for more VTA representation regarding the BART project and expressed concerns on the traffic impact as a result of the proposed project. He offered suggestions for the project.

AGENDA

MOTION to approve the agenda as submitted.

M/S: Gomez/Giordano

Ayes: 5

**PUBLIC HEARING
FISCAL YEAR 2005-2006
BUDGET**

Overview

City Manager Lawson gave an overview of the 2005-2006 budget focus, process, policy direction and budget highlights, noting this year's proposed budget is \$143.01 million. He stated each department would be presenting their 2005-2006 budgets, accomplishments and goals and that staff is looking for Council discussion and direction.

Emma Karlen, Finance Director, reviewed the proposed FY05-06 City-wide budget, including salaries and benefits, services and supplies, capital outlay and capital improvement. She noted the budget will increase by 13.9% due to increases in capital outlay, and capital improvements. She presented the proposed budget revenues by source, the proposed FY05-06 General Fund budget with a projected decrease of 2.5%, the unreserved, undesignated fund balance, and the projected General Fund reserves of \$15 million.

Mayor Esteves inquired about the General Fund reserves, salary and benefit costs, and the increase in medical costs.

Councilmember Livengood inquired about when the last time salaries and benefits declined and when the budget was balanced without the use of reserve funds.

Department Presentations

***City Council
Budget \$318K***

City Manager Lawson reviewed the accomplishments, goals and budget for the City Council, showing an overall increase of 4% due to an increase in services and supplies. He stated major budget changes are elimination of the newsletter and the increased request for funding from the Chamber of Commerce.

Mayor Esteves inquired about the elimination of the newsletter and requested the cost of a newsletter printed in black and white. He further inquired about the Economic Development Plan and college courses.

Councilmember Polanski inquired about a survey that was going out with the last newsletter. She further inquired if the Open Government Ordinance costs fall within the City Council budget, the financial impact, and where the costs will be incurred.

Councilmember Giordano inquired about overtime expenses and if they have been factored in for next year.

***City Manager/Economic Dev.
Budget: \$555K CM/\$292K ED***

City Manager Lawson reviewed the accomplishments, goals and budget for the City Manager, and Economic Development. He noted an overall decrease in the budget for City Manager of 26% due primarily to personnel costs stating major budget changes were the Monday Library hours and college classes at school sites. He stated the increase to Economic Development budget of 33% is due to expansion of economic development activities and noted major budget changes to fill the position of the Economic Development Manager and provide less consulting services.

Councilmember Livengood inquired about the Monday library hours with the recent passage of the ballot and requested staff work with the Library JPA to supplement costs of opening the library on Mondays.

Mayor Esteves inquired about the Monday library hours coming back as a budget item. He suggested using the accomplishments as continuing goals for next year for the City Manager and inquired about the Economic Development budget and the increases in services and supplies.

Vice Mayor Gomez requested a survey on why businesses are leaving the City, the trend and what steps can be implemented to retain them.

Councilmember Polanski made inquiries about clarification of the overtime costs including the City Clerk's office.

***City Clerk
Budget: \$886K***

Deputy City Clerk Donna Biles reviewed the accomplishments, goals and budget for the City Clerk showing an overall decrease \$44,000, the majority of which was services and supplies with no staffing changes proposed. She noted the major budget change that impacted the services/supplies reduction was that an election would not be held this year.

Vice Mayor Gomez inquired about the increased election costs and what the average time is to respond to a public request.

Councilmember Polanski inquired about the decreased hours for passport processing.

Mayor Esteves inquired about the increased overtime and suggested having the passport acceptance program and public information requests as part of the ongoing goals.

***Engineering
Budget: \$4,862K***

City Engineer Greg Armendariz reviewed the accomplishments, goals and budget stating the major budget changes are division reorganization and reimbursable contract services. He reported an increase of 16% due to personnel costs, service and supplies, and capital outlay.

Mayor Esteves inquired about the reimbursable funds from private developers under services and supplies and the decreased funding for CIPs.

Councilmember Giordano inquired about the rationale behind the reclassification of an Assistant Civil Engineer.

Building
Budget: \$2,314K

Chief Building Official Keyvan Irannejad reviewed the accomplishments, goals and budget for the Building Department noting an increase of 2% due to personnel costs and services and supplies. He reported there are no major budget changes.

Vice Mayor Gomez inquired about customer service surveys.

Mayor Esteves inquired about the schedule for plan check appointments, the level of service and on line permits.

Vice Mayor Gomez expressed concern about the level of service for obtaining permit appointments.

Mayor Esteves advocated for all departments to have customer satisfaction surveys.

Recreation
Budget: 4,554K

Recreation Services Manager Bonnie Greiner reviewed the accomplishments, goals and budget for the Recreation Department showing a 2% increase over last year due to increased personnel costs and services and supplies. She stated the major budget change is capital outlay for a truck and trailer.

Councilmember Polanski inquired about eliminating the City Calendar and the Stay and Play program.

Mayor Esteves stated he would like Recreation to come back to Council when the RAP money runs out since they only have \$5,000 from CDBG. He requested that the accomplishments be part of the goals for next year.

Councilmember Giordano inquired about participation at the Youth Center and asked if increasing the number of computers would attract more members.

Councilmember Livengood stated he would like Recreation to piggy back on private businesses for services such as the India Community Center.

Information Services
Budget: \$2,413K

Information Services Director Bill Marion reviewed the accomplishments, goals and budget for the Information Systems Department showing a 4% increase due to personnel costs and a 4% decrease in services and supplies with no major budget changes.

Councilmember Livengood clarified the advantage of the CAD program and the higher level of public service.

Mayor Esteves inquired about the GIS accomplishments and the system specifications.

Human Resources
Budget: 1,269K

Interim Human Resources Director Carmen Valdez reviewed the accomplishments, goals and budget the the4 Human Resources Department stating the major budget changes are workman's compensation premiums. She showed an 11% increase in the budget over last year due to personnel costs and services and supplies, and a 16% increases in services and supplies to cover workman's compensation costs.

Councilmember Livengood inquired what the dollar amount is when workman's compensation becomes excess and the frequencies of such claims.

City Attorney

Budget: 771K

City Attorney Steve Mattas reviewed the accomplishments, goals and budget of the City Attorney Office showing a 3% budget increase over last year for services with no major budget changes.

Councilmember Livengood inquired if the 3% increase included the cost of medical benefits for employees and the term of contracts.

Public Works

Budget: \$12,877K

Dennis Cuciz, Sr. Maintenance Manager, reviewed the accomplishments, goals and budget for Public Works. He stated major budget changes are temporary/seasonal workers reduction and vehicle and equipment replacement. He reported a 6% increase in the budget over last year due to capital outlay.

Mayor Esteves inquired how a service request is tracked. He suggested Public Works get feedback or do a satisfaction survey from customers and provide a sample report (about 20 responses) for review. He further inquired about temporary worker reductions.

Councilmember Giordano inquired what criteria is used to prioritize what streets receive maintenance

Planning and Neighborhood Services Budget: \$3,376K

Tambri Heyden Interim Planning and Neighborhood Director, reviewed the accomplishments, goals and budget for the Planning and Neighborhood Services Department. She noted major budget changes of transit sub-area Phase II and housing element update. The budget proposed for this year is 10% over last year due to an increase in services and supplies.

Councilmember Giordano inquired about the \$100,000 to update the housing element and the review process.

Mayor Esteves inquired about the \$300,000 increase under services and supplies in planning, and the neighborhood services program.

Vice Mayor Gomez inquired about the Ethics Program funding and what budgets it impacted.

Police

Budget: \$20,749K

Tim Nishisaka, Interim Chief of Police, reviewed the accomplishments, goals and budget for the Police Department showing a 2% decrease in budget from last year. He stated major budget changes are vehicle/equipment amortization and vehicles net cost and showed an increase in funding for services and supplies and capital outlay and a decrease in personnel costs.

Mayor Esteves asked what the crime rate is and how the Milpitas crime rate compares to other cities. He further inquired about overtime and how the department will monitor it.

Councilmember Livengood stated the 12% reduction in the crime rate was a significant accomplishment and noted that not all cities do reports for all crimes. He inquired about the community relations unit reorganization, and response times.

Mayor Gomez requested that police notify the Council if the response time continues to increase.

Fire

Budget: \$14,433K

Bill Weisgerber, Fire Chief, reviewed the accomplishments, goals and budget for the Fire Department showing a 2% increase over last year's budget. He stated major budget changes are vehicle amortization and reimbursable SHSG training that account for the 59% increases in services and supplies.

Mayor Esteves questioned the increased use of overtime and noted it was over budget. He further inquired why overtime was budgeted for less funds next year.

Councilmember Livengood inquired about the budget for overtime and asked of the \$635,846 of overtime, how much is related to Battalion Chiefs and how much is related to Captains and below. He further posed questions about staffing redeployment.

Vice Mayor Gomez stated that he and Councilmember Giordano will be reviewing Fire Department overtime and will bring back recommendations to the Council.

Recess

At this juncture, Mayor Esteves called a recess at 9:25 p.m. and reconvened at 9:35 p.m.

Finance

Budget: 3,260K

Emma Karlen, Finance Director, reviewed the accomplishments, goals and budget of the Finance Department. She noted a 4% decrease in funding over last year and reported no major budget changes are planned.

Mayor Esteves thanked staff for the awards and the City Council requests document and requested it be agendaized at the next City Council meeting or as soon thereafter.

Non-Departmental

Budget: 36,679K

Emma Karlen, Finance Director, reviewed the Non-Departmental budget, which included costs not specific to any one department. She stated the major budget changes are salary savings through attrition, services and supplies, decreased contribution to Joint Treatment Plant Authority's capital project, and capital outlay for a 10 wheel dump truck, sewer hydro vac, Altec boom truck and 8 replacement vehicles. She reported an 8% decrease over last year's budget.

**Redevelopment Agency
Revenues and Budget**

Emma Karlen, Finance Director, reviewed the Redevelopment Agency Revenues budget and the Redevelopment Agency proposed budget. She reported the revenues are \$31.62 million which is a 4.8% increase and includes property tax, interest earnings and other revenues. She reported that the Redevelopment Budget will increase by 12.7% due to salaries and benefits, and services and supplies.

**Capital Improvement
Program**

Greg Armendariz, City Engineer, reviewed the Capital Improvement Program stating it is in conformance with the General Plan and was reviewed by the Planning Commission on April 13, the Council on April 19, the CIP Sub Committee on March 30 and Parks Recreation and Cultural Arts on April 4. He reported that the total budget for CIP projects is \$33,402,713, with \$14,120,000 for community projects, \$1,144,000 for parks, \$3,318,713 for streets, \$1,160,000 for water, \$12,035,000 for sewer and \$1,625,000 for utility projects. He stated staff would provide quarterly reports to the Council, the CIP Subcommittee would review and discuss the quarterly reports, and there will be a Council midyear progress report.

Mayor Esteves inquired about mid town improvements and street resurfacing.

Wrap Up

City Manager Lawson stated that concluded the staff presentations and requested that the Council approve staff recommendations.

Public Input

Mayor Esteves opened the public hearing and invited public comments. There were no comments.

MOTION to close the public hearing.

M/S: Gomez/Giordano

Ayes: 5

MOTION:

1. Conceptually approve the 2005-2006 City/Agency proposed budgets
2. Conceptually approve the 2005-2006 Capital Improvement Program
3. Conceptually approve the Preliminary Five-Year (2005-2010) Capital Improvement Program

M/S: Gomez/Polanski

Ayes: 5

ADJOURNMENT

There being no further business, Mayor Esteves adjourned the meeting at 10:01 p.m.

Respectfully submitted,

Donna Biles
Deputy City Clerk

The foregoing minutes were approved by the City Council with amendments on June 7, 2005.

Donna Biles

Date